

Mobile Money Cash Transfer Recipient, Simatelele - Marcella Willis

CAN E-TRANSFERS PROMOTE FINANCIAL INCLUSION IN EMERGENCIES: A CASE STUDY FROM ZIMBABWE

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ABBREVIATIONS

ELAN	Electronic Cash Transfer Learning Action Network
E-transfers	Electronic Transfers
EFSP	Emergency Food Security Cash for Training/Work Project
FGD	Focus Group Discussion
KII	Key Informant Interview
KYC	Know Your Customer
MFI	Micro Finance Institution
MNO	Mobile Network Operator
NGO	Non-governmental Organization
P2P	Person-to-person (money transfer)
RBZ	Reserve Bank of Zimbabwe
SC	Save the Children
USD	United States Dollar

EXECUTIVE SUMMARY

BACKGROUND

The Electronic Cash Transfer Learning Action Network (ELAN) launched research to build an evidence base around connecting emergency electronic transfer (e-transfer) recipients with additional financial services. They wanted to learn if, when, and how e-transfers can promote sustained uptake and use of e-transfer services, including mobile money.

This case study explores a humanitarian assistance project implemented by Save the Children (SC) Zimbabwe between October 2014 and July 2015. The Emergency Food Security Cash for Training/Work Project (EFSP) was designed to support consumption and food security among 6,500 vulnerable households in through conditional and unconditional cash transfers delivered through mobile money. The project was implemented in northern Zimbabwe's Binga district, which has been affected by chronic food security issues for many years. EFSP Recipients received 28 USD per month, for six months, via EcoCash (Zimbabwe's largest mobile money provider). The transfer was intended to cover the cost of a specific "food basket" to improve household's capacity to meet consumption needs. **There was no specific intent to link e-transfer recipients to additional financial services or to encourage use of the mobile money account after the project's end.**

RESEARCH METHODOLOGY

The research included household surveys with 315 recipients (81% women); focus group discussions (FDGs) with 29 recipients (52% women); and key informant interviews (KII) with ten Save the Children staff, service providers, and other stakeholders. The case study was conducted over a brief timeframe and was not intended as a large, randomized survey. Instead, **the goal of this research is to take a 'snapshot' to understand any continued mobile money usage among cash transfer recipients.** This case study relied heavily on qualitative research to examine uptake and usage of mobile money among cash transfer recipients and to identify critical barriers and enabling factors affecting uptake and usage.

KEY FINDINGS & RECOMMENDATIONS

The research focused on three key questions:

- To what extent do e-transfer programs influence the use of mobile money among cash transfer recipients?
- What are the key barriers and enabling factors that influence recipients' uptake and use of mobile money services?
- What measures can and should be implemented in humanitarian e-transfer programs to overcome the barriers to uptake and use?

Overall, the research demonstrated that project participants substantially increased their use of mobile money products and services between the start and conclusion of the EFSP project. Average rates of mobile money product usage increased from 6% (pre-project) to 26% (post project). The biggest increases in mobile money usage were related to savings (which increased from 0% to 27%) and money transfers (which increased from 11% to 74%).

There was also a notable increase (from 8% to 26%) in the use of mobile money accounts for purchasing goods. However, agents' liquidity constraints sometimes forced project participants to purchase goods instead of receiving cash. In these cases, participants faced limits on what they could purchase, potentially decreasing the utility of the transfer.

The research identified the following key barriers and enabling factors as influential in program participant's usage of their mobile money accounts:

BARRIERS	ENABLING FACTORS
<ul style="list-style-type: none"> ➤ Immediate consumption needs ➤ Digital illiteracy ➤ National liquidity crisis ➤ Agent proximity, wait and travel times ➤ Fee structure 	<ul style="list-style-type: none"> ➤ Access to identity documents ➤ Support from Save the Children & Econet ➤ Knowledge & awareness of EcoCash products ➤ Trust in & satisfaction with service provider ➤ Frequency of e-transfers ➤ Participant preference for mobile money ➤ Mobile network availability ➤ Phone ownership ➤ Alignment of Econet business strategy & project objectives



In the context of the EFSP, almost a quarter of participants demonstrated an interest and ability to use a number of features available through their mobile money accounts. Given the participants' overall receptiveness to mobile money services, their trust in service providers, and a lack of external constraints, in similar implementation environments, recommendations for future e-transfer programs include:

1. Carefully monitor liquidity issues to ensure that availability of cash does not significantly impact program participant consumption choices or program experience.
2. Carefully monitor digital literacy needs and weigh investments in training on mobile money (or other e-transfer mechanisms) against program objectives and participant vulnerabilities.
3. Consider helping participants buy phones to encourage digital literacy gains, possibly by offering an option to purchase with small deductions spread over program transfers.

1. CASE STUDY BACKGROUND

1.1 PURPOSE & RESEARCH QUESTIONS

The Electronic Cash Transfer Learning Action Network (ELAN) convenes humanitarian agencies and private sector partners to improve the impact of humanitarian cash transfers through the appropriate use of payments technology. Although not traditionally a focus of humanitarian assistance, promoting financial inclusion through the use of electronic cash transfers (e-transfers¹) has gained traction in a number of recent emergencies. There is growing interest in linking humanitarian cash transfer recipients with e-transfer services, like mobile money, that may enable vulnerable populations to better prepare for, and respond to, crises.²

The ELAN launched this research to understand which barriers and enabling factors influence the uptake and potential use of mobile money introduced during a humanitarian assistance project. Emergency projects often target vulnerable populations who are frequently underserved or “unbanked.” The objective of the research is to learn if, when, and how e-transfer projects can result in sustained uptake and use of e-transfer services like mobile money. The key questions explored were:

- To what extent do e-transfer projects influence the use of mobile money among cash transfer recipients?
- What are the key barriers and enabling factors that influence uptake and use of e-transfer services among recipients?
- What measures can and should be implemented in a humanitarian e-transfer project to overcome the barriers to achieving uptake and use?

To answer these questions, the ELAN conducted a series of case studies examining emergency cash transfer projects using mobile money in Bangladesh, Zimbabwe, and Ethiopia. This second case study was conducted in June 2016 and examined a Save the Children project implemented in Zimbabwe. This project represented a typical short-term, humanitarian initiative that utilized e-transfers without a specific focus on longer-term financial inclusion goals.

1.2 HUMANITARIAN CONTEXT & IMPLEMENTING PARTNER

Since 2002, Zimbabwe has suffered food shortages. Many families in Zimbabwe rely on food aid rations to survive, with nearly half the population — about 5 million people — in need of food aid.³ According to the World Food Programme, Zimbabwe is a low-income, food-deficit country;⁴ it ranks 155 out of 187 in UNDP’s 2014 Human Development Index.⁵ Food and nutrition security remain fragile and subject to natural and economic shocks. Recurrent drought, a series of poor harvests, high unemployment, restructuring of the agriculture sector, and a high HIV/AIDS prevalence rate have all contributed to increasing levels of vulnerability and acute food insecurity. Compared to the previous year, Zimbabwe’s 2014/15 agricultural season registered a 51 percent decline in maize production (a critical staple crop), a result of a severe drought.⁶

¹ E-transfers refer to a digital transfer of money or vouchers from the implementing agency to a program participant.

² ELAN’s Financial Services Primer for Humanitarians provides an overview of the opportunities and challenges associated with using e-transfers as a pathway to financial inclusion.

³ <http://www.savethechildren.org/site/c.8rKLiXMGIpI4E/b.7086115/k.D96C/Zimbabwe.htm>

⁴ <https://www.wfp.org/countries/zimbabwe>

⁵ <http://hdr.undp.org/sites/default/files/ranking.pdf>

Save the Children International is a leading non-governmental organization (NGO) that invests in children by giving them a healthy start, the opportunity to learn, and protection from harm. Save the Children has been active in Zimbabwe since 1984,⁷ serving children and families through humanitarian relief and long-term development projects. It is one several humanitarian organizations providing assistance to address the country's chronic food security crisis.

1.3 OVERVIEW OF FINANCIAL SERVICES & PAYMENTS IN ZIMBABWE

Zimbabwe's 15 million citizens have access to a dynamic financial services and digital payments market. Though only 17% of adults hold an account at a formal financial institution,⁸ 22% of all adults have a mobile money account⁹ and 91% of adults have heard of mobile money.¹⁰ Yet rural areas like those targeted by Save the Children's project are the country's least served geographic areas. Less than 1% of research participants in this case study access financial services at a bank or microfinance institution (MFI).

Zimbabwe has 18 registered banking institutions and 167 licensed (MFI).¹¹ A range of informal mechanisms are also used for savings, credit, and payments services, including:

- Informal savings and loan groups called internal associations for savings and loans (ISALs), village savings and loan association (VSLAs), or *Miwaro*
- Informal money lenders (*Tchimbaza*)
- Cooperatives (*Mushandirapamwe*)
- Burial societies
- Church loans

Banking Services: Bank automated teller machines (ATMs) are most prevalent in urban areas, though point-of-service (POS) device penetration includes peri-urban and even rural areas. All banks in the country allow for Electronic Fund Transfers (EFTs), which an NGO would use for humanitarian transfers to participants. However, not all banks allow small-value accounts that link a debit card, a typical model for transferring cash to humanitarian recipients through a bank. (Additional information on account restrictions is found below in "Regulatory Aspects of Digital Payments.")

1.4 MOBILE MONEY IN ZIMBABWE

Mobile money is a service in which a mobile phone is used to access financial services.¹² Mobile money often includes the ability to make payments, transfer money, or access insurance, credit or savings products through a mobile phone. Mobile money is an electronic substitute for cash that provides full flexibility for purchases. Humanitarian agencies often utilize mobile money **bulk payments** (or **bulk transfers**), a simultaneous transfer of funds to multiple participants.

⁶ <https://zimbabwe.savethechildren.net/news/serious-food-shortages-looming-zimbabwe>

⁷ <http://www.savethechildren.org/site/c.8rKLIXMGlp4E/b.7086115/k.D96C/Zimbabwe.htm>

⁸ World Bank Findex data: Account at a financial institution includes an account at a bank or at another type of financial institution, such as a credit union, microfinance institution, cooperative, or the post office (if applicable), or having a debit card in their own name. Mobile money account includes respondents who report personally using GSM Association (GSMA) Mobile Money for the Unbanked (MMU) services in the past 12 months to pay bills or to send or receive money. <http://www.worldbank.org/content/dam/Worldbank/Research/GlobalFindex/PDF/Glossary.pdf>

⁹ World Bank Findex 2014: <http://datatopics.worldbank.org/financialinclusion/country/zimbabwe>

¹⁰ FinScope Zimbabwe Consumer Survey 2014: <http://www.finmark.org.za/finscope-zimbabwe-consumer-survey-2014/>

¹¹ Reserve Bank of Zimbabwe: <http://www.rbz.co.zw/assets/quarterly-banking-sector-report-31-march-2016.pdf>

Alongside banks, Zimbabwe has a robust mobile financial services market, with 3.2 million active mobile money subscribers (22% of the total adult population, double Sub-Saharan Africa’s rate of 11%).¹³ The country has three mobile money service providers – Econet, NetOne, and Telecel. The products and services currently available include airtime top-up, bill payment (e.g. utilities, school fees), money transfers (including bulk payments), payment collection, merchant payment, and savings with earned interest. Table 1 (below) shows the country’s three mobile network operators (MNOs) and their distribution network of mobile money agents and mobile network infrastructure. Econet holds a dominant market position compared to other available providers:

Table 1: Snapshot of Zimbabwe’s Mobile Money Providers

MOBILE NETWORK OPERATOR	MOBILE MONEY SERVICE	# MOBILE MONEY AGENTS	MARKET SHARE OF ACTIVE MOBILE MONEY SUBSCRIPTIONS
Econet	EcoCash	24,022	97.5%
NetOne	One Wallet	2,384	2%
Telecel	Telecash	7,091	0.4%

Source: http://www.potraz.gov.zw/images/documents/Sector_Performance_report_1st_Quarter_2016.pdf

With regards to mobile infrastructure – essential to accessing mobile money accounts via mobile networks – a total of 6,720 base stations (cell phone towers) are present in country, of which 29% are located in rural areas.¹⁴ Only two MNOs (Econet and Telecel) show network coverage in Binga district, where Save the Children’s project took place.¹⁵

In terms of mobile phone usage and access, 18.9 million mobile phone subscriptions exist, representing an active mobile phone penetration rate of 96.5%. GSMA reports the number of unique mobile subscribers at 9.8 million, with 85% of the adult population subscribing to mobile services.¹⁶

1.5 REGULATORY ASPECTS OF DIGITAL PAYMENTS

The Reserve Bank of Zimbabwe (RBZ) sets regulatory policy around all formal financial transactions, including mobile money and branchless banking products. In 2013, the RBZ declared mobile money transfer services to be a payment/delivery channel which does not equate to deposit taking. As such, all e-money value must be backed by pre-funded balances held in banking institutions.¹⁷ To deliver savings and credit products via a mobile wallet, therefore, an MNO must partner with a formal financial institution.

¹² <http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2012/06/mobilemoneydefinitionsnomarks56.pdf>

¹³ World Bank Findex 2014: <http://datatopics.worldbank.org/financialinclusion/country/zimbabwe>

¹⁴ http://www.potraz.gov.zw/images/documents/Sector_Performance_report_1st_Quarter_2016.pdf

¹⁵ <https://www.econet.co.zw/map/> and http://www.netone.co.zw/?page_id=1120 and <http://www.telecel.co.zw/network-coverage>

¹⁶ http://www.potraz.gov.zw/images/documents/Sector_Performance_report_1st_Quarter_2016.pdf

¹⁷ <http://www.finmark.org.za/mapping-the-retail-payment-services-landscape-in-zimbabwe/>

Some relevant regulatory policies that impact humanitarian e-transfer projects include:

- Mobile money account registration requires presenting a valid identification card (e.g., National ID, driver's license, and/or passport). However, mobile money account registration requirements are still less restrictive than opening a formal bank account.
- Spending limits on non-merchant mobile money accounts are relatively high (500 USD per transaction and 1,000 USD per day, with a monthly transaction limit of 5,000 USD).
- In 2014, the RBZ issued a directive limiting telecommunications providers' ability to enter into exclusive service agreements with mobile money agents.¹⁸ This means that a single mobile money agent can represent several MNOs. This may increase the profitability for mobile money agents, particularly in rural areas where transaction volumes are low.

Figure 1: Program location map



1.6 CONSUMER TRUST IN FINANCIAL SERVICES

No analysis of financial services in Zimbabwe can avoid looking at consumer perceptions and confidence in the financial system. Ongoing financial crises have dramatically affected the lives of everyday Zimbabweans for over a decade, including hyperinflation in 2008 which led to the adoption of the US dollar as the country's main currency. During this time of dollarization, many lost savings and pensions held in formal financial institutions and confidence in the financial sector was significantly eroded. More recently, the 2016 cash liquidity crisis caused many Zimbabweans to again turn away from formal financial institutions, with many storing cash in safes rather than banks. Those in rural areas have sometimes resorted to bartering due to a lack of hard currency. While worrying, the current liquidity crisis has also provided an opening for digital alternatives to cash. Recent reports cite an uptick in digital transactions, including a three-fold increase in debit card transactions between January and August 2016.¹⁹

¹⁸ <http://www.rbz.co.zw/assets/national-payment-systems-directive--20-2-24-final.pdf>

¹⁹ http://www.nytimes.com/2016/11/04/world/africa/zimbabwe-robert-mugabe-cash-debit-cards.html?_r=0

2. SAVE THE CHILDREN'S E-TRANSFER PROJECT

2.1 PROJECT DESCRIPTION

In response to the ongoing food security crisis, Save the Children launched the Emergency Food Security Cash for Training/Work Project (EFSP). The project lasted from October 2014 – July 2015, targeting 25 wards in the Binga and Kariba Districts. Basic project details are summarized in Table 2, below:

Table 2: Project Description

LOCATION	BINGA & KARIBA DISTRICTS
Project Length	Nine months (September 23, 2014-July 31, 2015) Unconditional cash transfers began in October; conditional cash transfers began in November
Total Number of Recipients	6,750
Number of Cash Transfers	Six
Frequency of Cash Transfers	Monthly
Cash Transfer Amount	28 USD
Service Provider	Econet, an MNO, with a mobile money service called EcoCash
Donor	United States Agency for International Development (USAID)

EFSP was designed to support consumption and food security among the most vulnerable households through conditional and unconditional cash transfers. Binga district has been affected by chronic food security issues for many years. Few residents are formally employed, and few have productive farms that enable them to sell excess harvests. Humanitarian programs, including in-kind food assistance and cash transfer programs, have provided an important (though irregular) form of support for some residents.

EFSP recipients received 28 USD per month intended to cover the cost of a specific “food basket” to improve household resilience and self-sufficiency in managing shocks. In exchange, 6,240 non-labor constrained households participated in either conservation agriculture trainings or community rehabilitation and construction projects (and received cash transfers as a condition of their participation). Labor-constrained households (510) received the cash unconditionally. Over the life of the project, 6,750 households were reached, totaling 30,237 indirect beneficiaries (14,751 males and 15,666 females). Sixty percent of transfers were distributed to female account holders.

EFSP's transfer amount was set to cover contents of a specific food basket and fees for a single cash-out, and there was no expectation that funds would be sufficient to cover other expenses or for savings. As such, the project was not designed to promote savings, or the use of other financial services associated

with the mobile wallets. During KIIs, Save the Children staff listed a common set of drivers for selection e-transfers over physical cash, summarized in Table 3 below:

Table 3: Reasons for Using Mobile Money Transfers

BENEFITS TO THE ORGANIZATION	BENEFITS TO THE RECIPIENT
<ul style="list-style-type: none"> ✓ Reduced security risks of cash handling ✓ Reduced delivery costs ✓ Quicker delivery ✓ Traceability of cash transfers 	<ul style="list-style-type: none"> ✓ Reduced security risks ✓ Convenience and flexibility to access cash at chosen location and when needed

Save the Children staff assumed that very few recipients owned mobile phone handsets prior to the project or held EcoCash mobile wallet accounts, although no baseline data exists. As such, the project was designed with the idea that recipients would borrow a friend’s or neighbor’s handset to conduct the cash-out transaction if they did not own one. While there was some discussion about purchasing handsets, Save the Children staff determined the political context was too sensitive to do so (as it could be misconstrued by government officials that phones were being used to disseminate political propaganda messages). Although they did not distribute handsets, Save the Children procured new SIM cards for all participants and registered participants for mobile money accounts (see 2.3 registration below for more info).

2.2 SERVICE PROVIDER SELECTION

Save the Children had prior experience with Econet, when they had partnered with the company during a 2013-14 World Food Programme-funded pilot project to disburse cash through mobile wallets. Based on this experience, Save the Children contracted Econet for registration, training, and e-transfer disbursement for EFSP. The partnership took approximately one month to set up.

2.3 REGISTRATION, ORIENTATION AND DISBURSEMENT

The registration and disbursement process was coordinated between Save the Children (SC) and Econet and went relatively smoothly based upon KIIs with Save the Children staff. While many program participants had Econet SIM cards prior to the program, Save the Children and Econet decided to provide new SIM cards to each and every participant to ensure that the intended beneficiaries were registered as account owners and would have unfettered access to their cash transfers.²⁰

In order to open an account, Econet required a copy of the national ID card, proof of residence (in the form of a letter from the village head, with official stamps), and a photo. While only 15 program participants (.02% of total recipients) lacked the required national ID documents, the proof of residency requirement proved cumbersome. EcoCash rejected a proposal to provide one letter per village rather than per recipient, so Save the Children took responsibility for this process. Save the Children eventually

²⁰ In Zimbabwe, many people, especially women, use mobile phone accounts registered in someone else’s name (e.g., a husband or child.)

compiled individual proof of residence letters, copies of national IDs and photos for each and every recipient in preparation for registration events.

During registration events, Econet relied on both mobile money agents (who registered customers and provided cash-out services) and separate Econet brand ambassadors (who also registered customers, and provided orientation to EcoCash products and services, without ever handling cash). Both agents and ambassadors provided orientation on the EcoCash cash-out process and one-on-one guidance as needed.

During a KII, a brand ambassador explained that she would spend approximately 5-10 minutes to register each customer. She noted that some participants already had knowledge of mobile money, while others (often elderly participants) required more time to help them reset PIN numbers, understand the mobile money, and accept that the e-transfer process was secure.

During the first disbursement, minor errors occurred due to incorrect registration or manual key-in mistakes by agents or brand ambassadors. However, from the second distribution onwards, these issues were corrected by an EcoNet company representative appointed to resolve any errors that occurred during disbursements. EcoCash also established specific meeting points (approximately two per ward) where EcoCash agents would be prepared with extra liquidity to support the increased cash out demand during disbursements.

TRAINING/ORIENTATION

Technical support and training offered to participants took place in various phases:

1. First, **large group presentations** (to groups of up to 100 recipients), were delivered by EcoCash and/or Save the Children staff. These presentations covered the basics of mobile money use, including cash-out processes and account safety measures (including protecting SIMs and PINs). Guidance on how to access support either from agents or Save the Children was also provided at these events.
2. Second, **account registration** was conducted by Econet brand ambassadors and agents, who often provided additional information to new clients during this processes, and offered one-on-one help with resetting PINs (a required step of the account registration/set-up process that many participants found particularly tricky). Econet reported that some smaller group sessions were held during registration events, where their staff demonstrated the mobile wallet menu and provided some information on the possibilities of using other EcoCash services (e.g. buying airtime, P2P transfers, savings).
3. Third, **help desks at cash-outs** were established at disbursements and manned by Econet brand ambassadors, Save the Children staff and local leaders. Participants could request help or ask questions during cash outs at these desks.

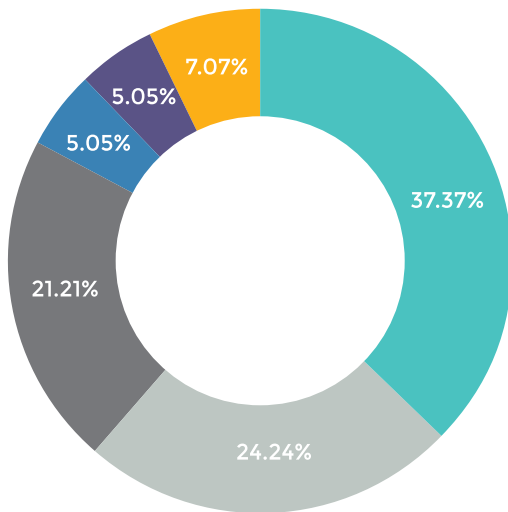
Despite these reported activities, 97% of the survey respondents said they didn't receive any face to face training at the beginning of the project, and none of the FGD participants said they participated in any "practical" training sessions. FGDs clarified that the project participants were hoping for more detailed or personalized training on how to operate mobile money, and did not consider the large group sessions, or the one-on-one assistance to be sufficient training.

Project staff did not expect that recipients would save money in their accounts, and neither SC nor EcoCash provided detailed or standardized guidance on using the mobile account for other transactions. Instead, most additional training focused on teaching participants how to protect their accounts and minimize account fees (e.g., not checking account balances or conducting multiple cash-outs, both of which incurred fees). Save the Children staff reported being concerned ensuring that recipients received their full entitlement without reducing the value of their cash transfer (through incurring additional fees).

2.4 PROJECT PARTICIPANT PROFILE

EFSP beneficiaries were originally selected with community support using a vulnerability ranking criteria (Household Economy Approach). Selected households were categorized as either labor-constrained or non-labor constrained. Labor-constrained households (501) received unconditional cash transfers, while all others participated in cash-for-work activities. Many project participants are exceedingly vulnerable (primarily aged and/or disabled) and reside in the rural areas of Binga and Kariba districts. Survey respondents' occupation and income levels are shown in the two charts below:

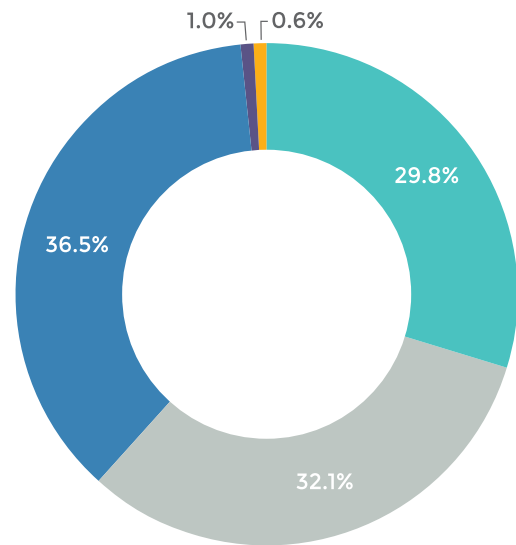
Chart 1: Survey Respondent Occupation



- Agriculture
- Petty Trade
- Casual Wage Labor
- Fisherman
- Small / Retail Business
- Other / No Occupation

Note: Other livelihoods included crafting, collecting firewood and fruits.

Chart 2: Survey Respondents' Average Monthly Income



- <10 USD
- 10 USD to less than 20 USD
- 20 USD to less than 50 USD
- 50 USD to less than 100 USD
- >100 USD

Almost two thirds of survey respondents (62%) earn less than 20 USD per month and many relied on the cash transfers as their main source of income.

Overall literacy levels for the country are high, with an estimated 83.6% rate of literacy among adults (80% of females).²¹ However, survey respondents' literacy levels were significantly lower, with only 25% fully literate. For FGD participants, only 28% had completed a secondary school grade and 14% had no schooling whatsoever.

²¹ <http://www.uis.unesco.org/Education/Documents/literacy-statistics-trends-1985-2015.pdf>

3. CASE STUDY RESEARCH METHODS

Field research took place in two wards of the Binga District (Simatelele and Siachilaba), with additional key informant interviews with Econet and SC staff in Harare. Save the Children identified both wards for household surveys and FGDs using purposive sampling,²² and then randomly selected survey participants. Implementation of the survey and FGDs ran concurrently. Save the Children hired enumerators to administer the surveys in Tonga, the local language.

Three hundred fifteen people responded to the survey (81% of whom were women). FGDs took place with 29 participants (52% of whom were women). KIIs took place with 10 representatives from Save the Children and four from EcoCash (see KII details in Appendix 1). The average age of all research participants was 44; survey households averaged five members.



Household surveys contained 46 research questions, categorized into the following topical sections:

- Demographics
- Experience using the e-transfer mechanism
- Mobile wallet usage
- Financial behavior before the Save the Children project (savings, credit, money transfer)
- Financial behavior after the project

FGDs conducted by the consultant focused more narrowly on:

- Mobile phone ownership and mobile money knowledge and account usage – both before and after the project
- General savings and money transfer behavior

RESEARCH LIMITATIONS

This study was not intended as a large-scale, fully randomized survey. As such, it should be noted that without a purely random selection among all recipients, there may be some research bias towards respondents who are easier to reach or more articulate in answering questions. Focus group discussions

²² Purposive sampling, also referred to as judgment, selective or subjective sampling is a non-probability sampling method that is characterized by a deliberate effort to gain representative samples by including groups or typical areas in a sample.



were used as a tool to better understand survey responses, though were constrained from digging deeply into certain themes due to time limitations.

Mobile money usage is relatively new for most research participants, and discussions on these topics often required explanation to reach a common understanding. The lack of common or complete understanding of mobile money may have influenced survey results; we found that responses on account usage varied depending on how questions were phrased. As a result, findings are based on responses to questions that asked about specific use cases (e.g., how respondents saved, transferred and borrowed money) which we suspect are more reliable than general questions (e.g., “how did you use mobile money”). Responses to specific use-case questions (as opposed to more open-ended/general questions about mobile money use) also aligned with usage pattern findings from focus group discussions.

The research was intended to examine recipients’ use of financial services and how the e-transfers may have impacted their access and usage. Discussion of financial services is a complex and sensitive topic, so there are limitations in this short study to truly understand financial behavior. In addition, frank discussions about financial behavior can be limited if recipients feel their eligibility for assistance or future projects may be jeopardized. This may have influenced some responses, particularly as the area researched has been a long-time recipient of humanitarian assistance.

4. FINDINGS

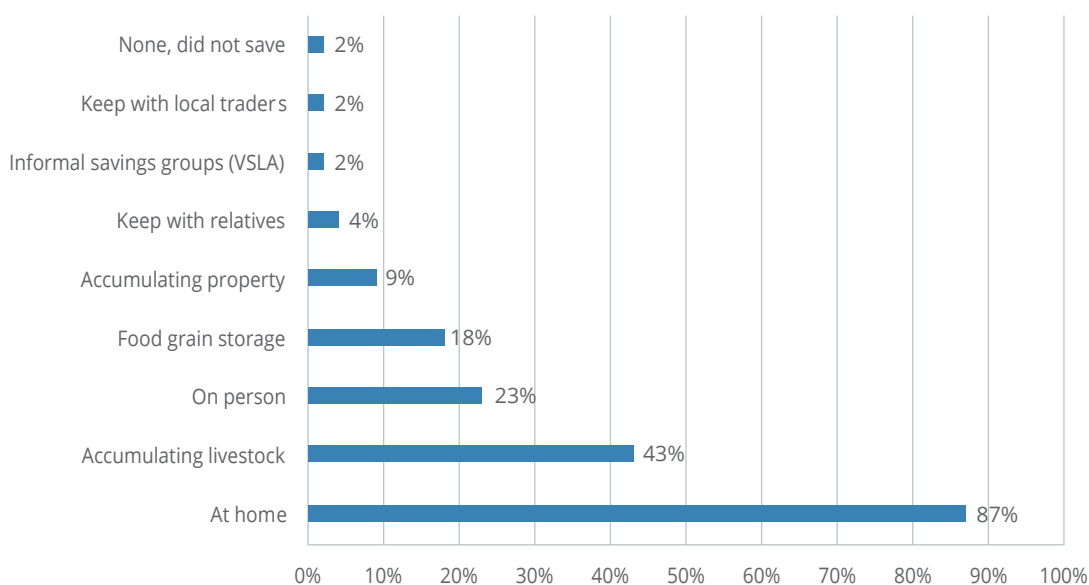
4.1 FINANCIAL BEHAVIOR PRIOR TO THE E-TRANSFER PROJECT

Even highly vulnerable populations (like Save the Children’s project participants) have options for managing their money, ranging from regulated formal financial services (such as savings and credit services offered by banks and MFIs) to informal practices (such as storing grain, purchasing jewelry, or storing cash with family and friends). While storing grain **looks radically different** than depositing money into a mobile money wallet, in the minds of new mobile money users, they are often in competition. Therefore, is it critical to understand project participants’ financial practices prior to the project to gain a full picture of what mobile money was “competing” against and its usage after a project ends. Research participants were asked about their savings, money transfer behavior, and borrowing behavior before the project. They were also asked specifically about their use of mobile money.

SAVINGS BEHAVIOR BEFORE THE PROJECT

Savings is essential to manage household finances, cope with emergencies like natural disasters, and build resilience. The first section of questions in the survey were framed around usage of savings mechanisms before the project and summarized below.

Chart 3: Before EFSP, Means of Saving Money



Overall, nearly all participants (98%) saved, many doing so through a variety of means. Savings relied almost exclusively upon informal mechanisms, and the overwhelming majority of respondents saved at home (87%). Only one survey participant saved money at a bank, while another saved through a cooperative. No one reported using mobile money accounts to save prior to the project.

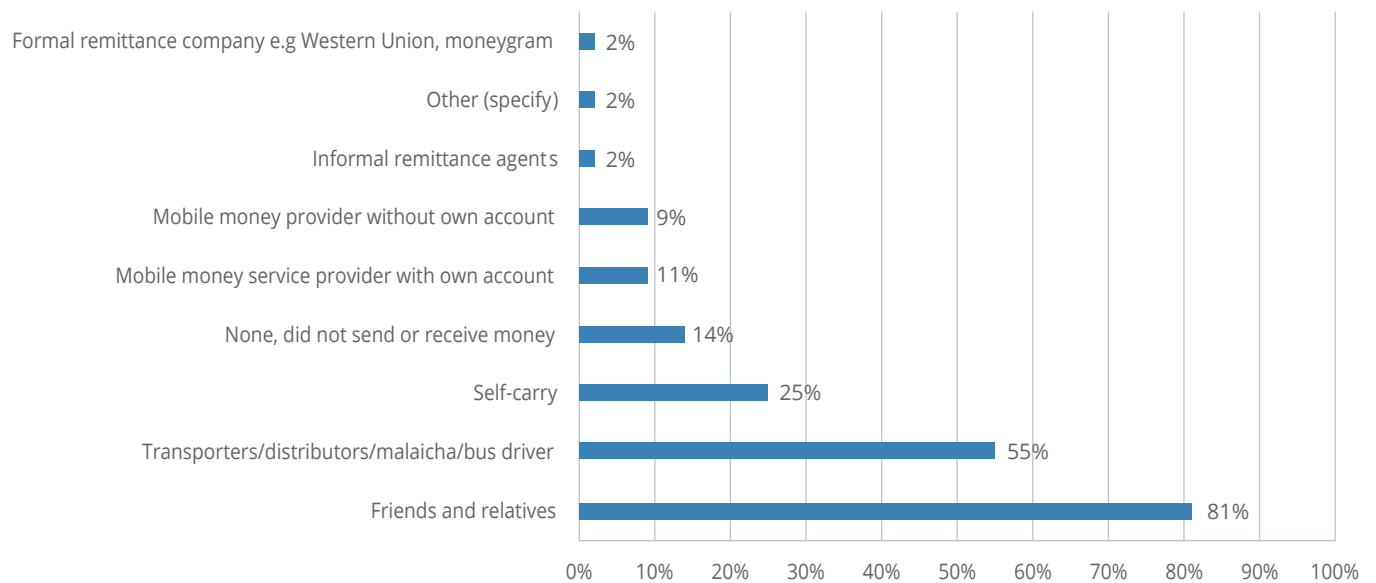
In FGDs, participants further confirmed a preference for informal savings venues as well as that savings at home was most often used for small short-term savings. Two participants had used EcoCash savings

accounts previously (when they had a regular income), although neither were using it prior to the start of EFSP.

MONEY TRANSFER BEHAVIOR BEFORE THE PROJECT

Transferring money person-to-person (P2P) is one of the most common mobile money uses, and 20% of survey respondents had used mobile money transfers to send or receive funds before EFSP. However, much like savings behavior, money transfer behavior was predominantly conducted through informal means, with the most common being using friends or relatives (81%):

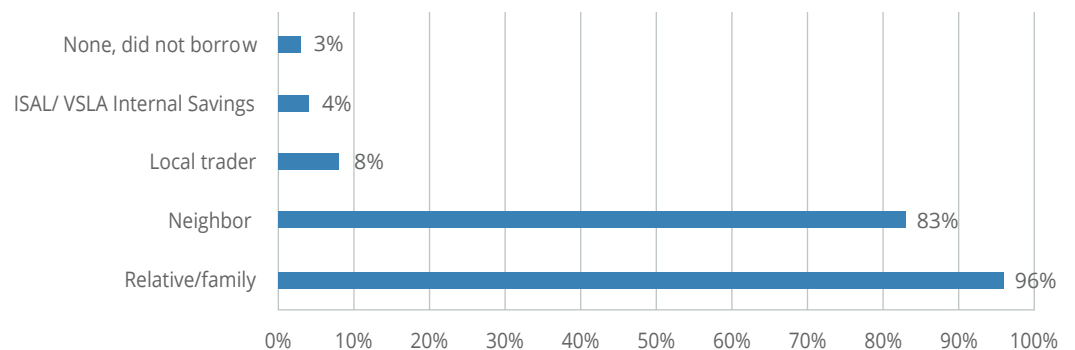
Chart 4: Before EFSP, Means of Saving Money *Source: HH surveys*



BORROWING BEHAVIOR BEFORE THE PROJECT

Almost all survey respondents (97%) borrowed money prior to the project, but no one utilized formal financial institutions. Instead, they relied overwhelmingly on family (96%) and neighbors (83%). Only 3% of respondents did not need to borrow.

Chart 5: Before EFSP, Survey Respondents' Means of Borrowing *Source: HH surveys*





OTHER PRE-PROJECT USES OF MOBILE MONEY

In addition to savings and money transfers, some EFSP participants reported using mobile money for other purposes. Eight percent of survey respondents reported using the service to pay for goods or services, while 9% reported using the service to purchase airtime.

CONCLUSIONS: PRE-PROJECT FINANCIAL SERVICE USE

Prior to the EFSP, Save the Children survey respondents and FGD participants used a range of financial management strategies and services,

albeit mostly informal. (87% saved at home, 96% borrowed from family members, and 81% sent/received money from friends and family, while none of them saved or borrowed through banks or MFIs.) Though World Bank FINDEX national statistics show that 17% of adults have an account at a formal financial institution, and 5% have saved at one, it is not surprising that the EFSP recipients are not accessing formal financial institutions as they represent a more vulnerable population with no regular incomes, and live in rural, underserved areas. According to the FGD participants, the nearest bank branch was 50-56 kilometers from them – making distance and transportation costs a significant barrier.

EFSP project participants showed some familiarity or experience with mobile money prior to the project. According to survey results, 25% of respondents had heard of mobile money prior to the project and 11% had their own mobile money account prior to the project. The leading use of mobile money was for transferring money (which 20% of respondents reported using), with other participants reporting mobile money use for purchasing goods or airtime. While no survey respondents reported borrowing or saving money through mobile money, some focus group participants (as discussed above), had previously used their accounts to save money while employed and receiving a regular income. While account ownership rates (11%) are still about half that of the national average (22% of adults), mobile money has a much higher usage rate than banks or MFIs amongst project participants.

4.2 MOBILE MONEY USE AFTER THE E-TRANSFER PROJECT

The following sections look at changes in mobile money use before and after the EFSP program.

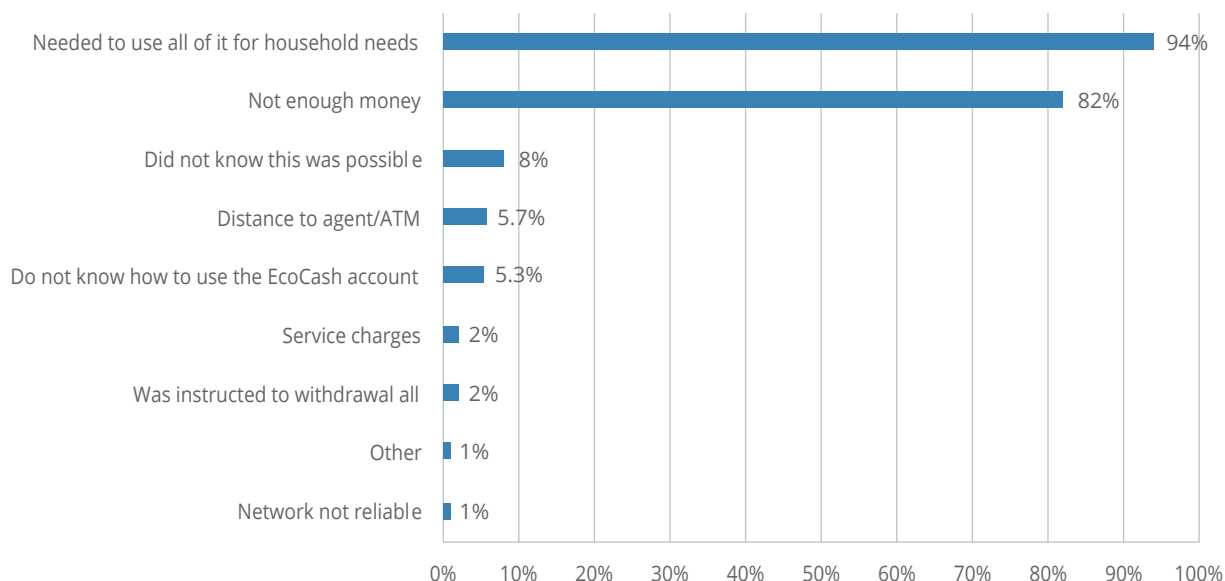
USAGE PATTERNS FOR SPECIFIC MOBILE MONEY SERVICES

Savings

All but 5% (15 survey respondents) reported cashing out their full e-transfer value upon receiving it from Save the Children. Of the 300 respondents who immediately cashed out all of their full e-transfer value, nearly all (94%) explained that they needed the cash for household expenditures while 13% cited reasons related to lack of understanding – either not knowing that it was possible to keep money in the account (8%) or didn't know how to use the account (5%).²³ The main driver for withdrawing the full amount was related to EFSP participants' immediate consumption needs (in line with the program design).

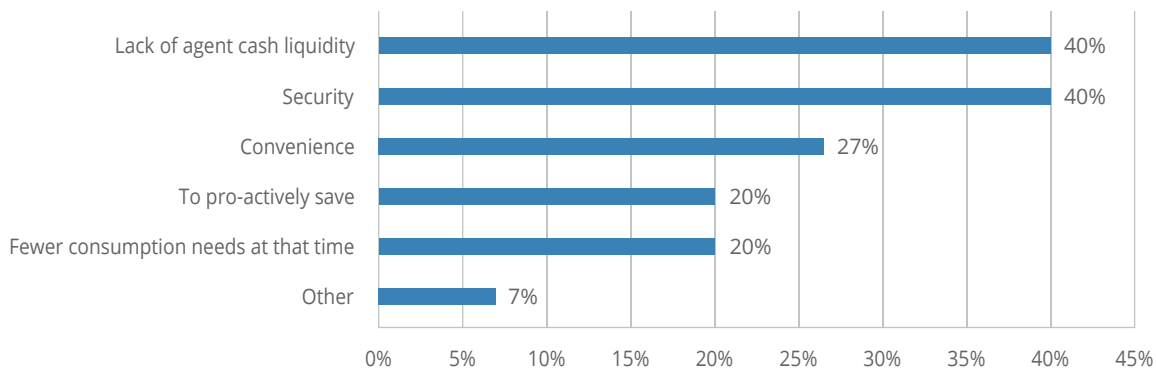
²³ Multiple responses were allowed.

Chart 6: Reasons for Cashing Out Full Transfer (95% of respondents) *Source: HH surveys*



Of the 15 respondents who kept some of their cash transfer in the account, the most frequently cited reasons were “lack of agent liquidity” (meaning leaving cash in the account was not voluntary, but related to cash availability) and “security” (six participants cited each).

Chart 7: Reasons for Keeping Cash in Account (5% of respondents) *Source: HH surveys*



In contrast to the limited saving that occurred with the cash transfers provided by Save the Children, over a quarter of respondents (27%) reported using their mobile money accounts for saving in post-program surveys. This demonstrates an interest in using the mobile money account to store value, possibly when consumption needs are less pressing, but could also represent liquidity limitations.

FGD participants acknowledged that saving in a mobile money account is less risky than saving money at home. As one participant said: **“EcoCash is safe, it’s not easy for someone to take your money. With EcoCash you travel with your money.”** However, many participants still prefer to keep cash at home because quick access to liquid cash is guaranteed. FGD participants reported that the liquidity crisis in Zimbabwe was worsening and impacting the ability of mobile money agents to have adequate liquidity. A few FGD participants also mentioned fees as a deterrent. While security benefits of saving cash in a mobile money account are well-understood, many still preferred to keep the cash at home because access to liquid cash is guaranteed when needed, and fee-free.

Though many participants recognized advantages of saving money through their EcoCash account, such as improved security, the drawbacks, including agent liquidity, seem to limit enthusiasm and use of accounts for savings. The most important priority – reliable and quick access to funds, meant that saving at home remained a more attractive option for many. In contrast to other case studies in this series, knowledge/capacity and trust in agents were not significant barriers to mobile money use.

Money transfers

Compared to 20% of respondents who said they used mobile money for transferring money prior to the project, 76% reported using mobile money for P2P transfers after the project. This is a substantial increase in usage. FGD participants reported primarily using their mobile money accounts to receive money transfers, though only one participant said he also uses it to send money (lack of cash was noted as a constraint for initiating money transfers). FGD participants had previously used friends and family as well as bus drivers to send and receive money in the past, but most of them said they now rely on EcoCash.

All recognized the convenience and security of using mobile money for P2P transfers compared with previous methods of using friends and family or transportation drivers. One participant explained the benefits of using EcoCash for money transfers: **“Anytime you can receive cash. The bank may be closed, but EcoCash doesn’t. It’s available any hour – that’s how convenient it is. Before you had to wait for a bus, maybe the bus would break down and you would wait. Now you can receive it whenever.”**

Other uses (purchases, insurance and borrowing)

Following the EFSP program, use of mobile money increased for both purchasing airtime (9% to 23%) and purchasing goods (8% to 26%). Some of this use, however, was necessitated by the liquidity crisis, rather than a preference for mobile money payments. Several FGD participants mentioned that they are currently using their mobile money accounts to purchase food from shops due to agents’ liquidity issues and inability to cash out either partial or full cash transfer amounts. FGD participants mentioned that sometimes an agent who is also a shop owner, and who cannot cash out the total transfer, will oblige the participants to purchase groceries instead of disbursing cash.

In FGDs, some participants reported using their accounts to buy airtime and goods, or to accept payment for vegetable or craft sales. One focus group participant had purchased EcoSure (the microinsurance product that provides funeral coverage). Otherwise, FGD participants were largely unaware of EcoCash Save and EcoCash Loan products.

SUMMARY OF CHANGES IN MOBILE MONEY USE

Average use of all mobile money products and services (calculated by taking the average use rates from each product category) increased from 6% (pre-project) to 26% (post project). Reported additional account activity is summarized in Table 4 below.

FGD participants noted similarly high increases in usage of mobile money accounts: prior to the project, 17%, reported having and using mobile money accounts before the program and 76% of FGD participants reported using their mobile money accounts after the project. In general, mobile money account usage increased significantly between the start and the end of the EFSP project.

Table 4: Mobile Money Use Prior to and After the E-transfer Project
(Not specific to EcoCash Account) *Source: HH surveys*

	PRE-PROJECT	POST-PROJECT
Savings	0%	27%
Money transfers (using own account)	11%	74%
Money transfers (using agent account)	9%	2%
Borrowing	0%	3%
Airtime purchases	9%	23%
Purchasing goods	8%	26%

4.3 BARRIERS AND ENABLING FACTORS

The study examined a number of factors that are expected to encourage or limit the use of mobile money accounts among humanitarian cash transfer recipients. Findings about specific barriers and enabling factors are listed and discussed below.

BARRIERS

1. Immediate consumption needs prioritized over financial services use

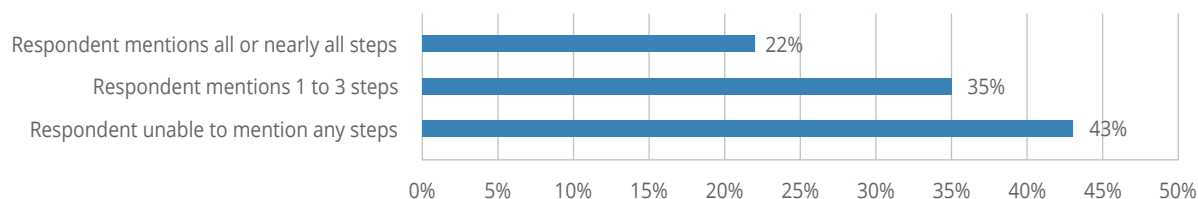
The overwhelming majority of participants (95%) cashed-out their transfer because they needed it “to meet household needs.” Considering Save the Children’s project was designed for this exact purpose, this is not surprising. However, the fact that transfers targeted only basic needs may have prevented some participants from experimenting with other EcoCash account services, particularly given participants’ satisfaction with the service provider and interest in other products (further discussed in the “Enabling Factors” section, below).

2. Digital illiteracy & low capacity to operate mobile money

Only 22% of respondents could explain the e-transfer process successfully and list all (or nearly all) of the steps to cash out. Almost half of all survey respondents (43%) could not mention a single step.

Chart 8: Survey Respondents’ Ability to Explain How to Complete the Cash-out Process

Source: HH surveys

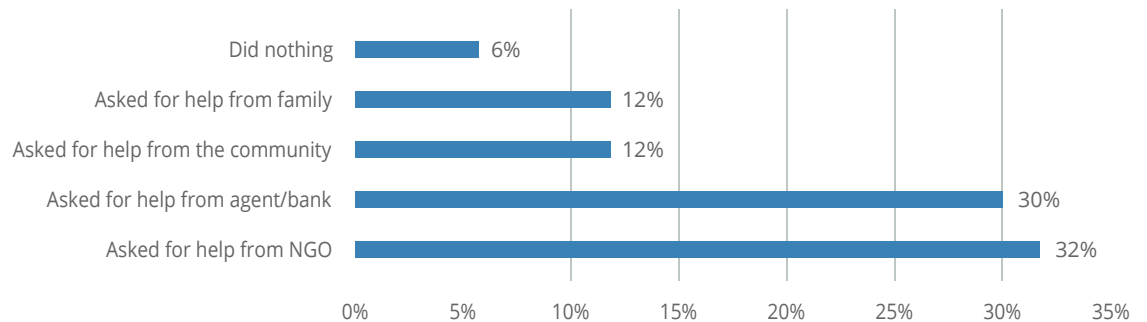


During FGD discussions, female participants expressed more trepidation than males at being able to independently master mobile money transactions. When asked if more training would improve comfort with mobile money, one female FGD noted: **“We afraid of blocking the lines. We [are] not familiar because we are illiterate...I prefer to learn from someone’s phone because maybe my phone could get damaged or the system could be disturbed. How can we do it if we don’t know the numbers?”**

Given the low capacity to explain and operate mobile money, it is surprising that very few respondents listed problems with the technology as a barrier to cashing out. Only 9% experienced problems using their PIN and 7% reported problems “with the technology.” It appears that program participants developed and employed a wide range of tactics to confront difficulties with mobile money, with almost equal percentages requesting assistance from Save the Children and from the mobile money agents.

Chart 9: Approaches Used by Survey Respondents to Address Cash-out Problems

Source: HH surveys

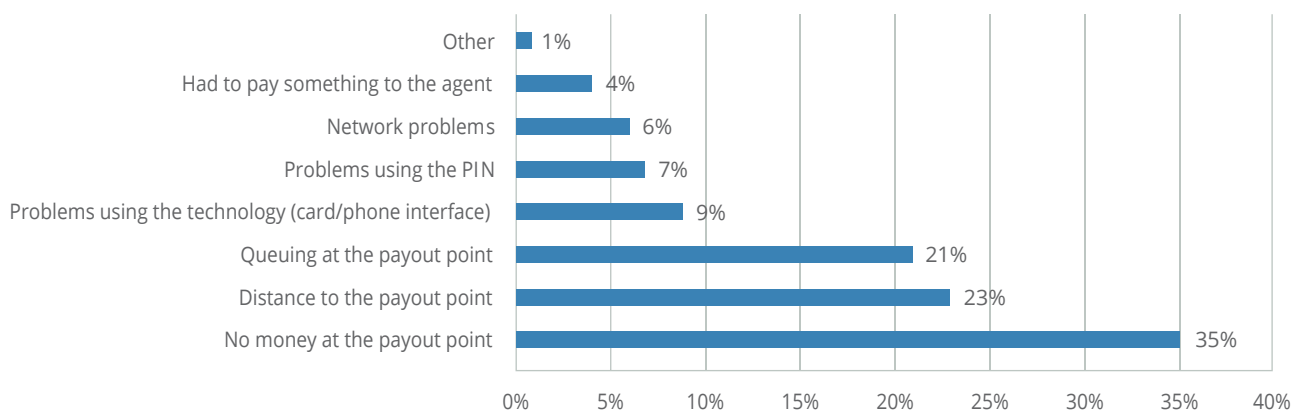


Participants were unable to independently operate their mobile money accounts requiring assistance from agents, humanitarian agency staff and community staff.

3. National liquidity crisis

The leading challenge faced during cash-out was related to lack of cash availability, which affected 44% of participants (see Chart 10, below). Liquidity issues also surfaced when probing respondents about why they kept cash in their mobile accounts after the project (40% did so because, “agents lacked liquidity”). While liquidity constraints might have prompted a national trend towards increased use of e-transactions, for these specific project participants, a lack of liquidity prevented some from freely cashing out when needed, and may have limited their ability to meet food and other basic needs.

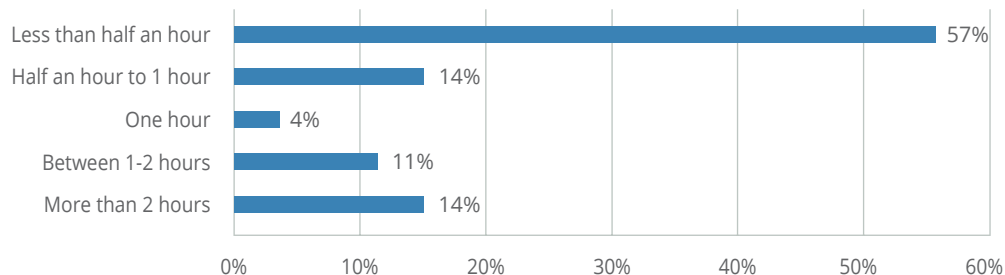
Chart 10: Survey Respondents’ Problems Faced Receiving Money through EcoCash Account



4. Agent proximity, wait and travel times

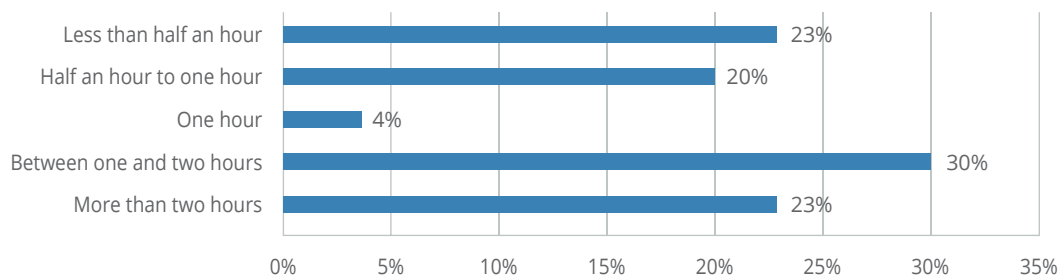
Following liquidity, distance to agent locations (23%) and queuing (21%) were the two other primary complaints. The average waiting time at the EcoCash agent to receive their cash is shown below:

Chart 11: Survey Respondents' Average Wait Time at the EcoCash Agent to Receive Money



Given that the project targeted rural locations where agents were located up to 60 km from project participants, it is unsurprising that distance was a barrier for some participants. Fifty-seven percent of survey respondents spent one hour or more traveling to an EcoCash agent (Chart 12 below.)

Chart 12: Survey Respondents' Time to Travel to an EcoCash Agent



During EFSP, EcoCash increased its agent reach in Binga adding approximately 60-100 additional licensed mobile money agents.²⁴ Despite these efforts, survey respondents faced significant transaction costs either in travel times to an agent location and/or in queuing once they arrived.

5. Fee Structure

The EcoCash bulk transfers cost 1.25 USD per 28 USD disbursement, which included one cash-out fee per recipient. Save the Children added the single cash-out fee of 1.25 USD on top of their intended transfer amount, to ensure that the intended transfer amounts were not reduced by fees. This structure may have incentivized recipients to cash out the full amount at once, either to avoid paying for additional cash-outs or to avoid incurring fees for other transactions. This is also supported by data which asked recipients who preferred cash in envelopes about this preference, 29% indicated that cash in envelopes “cost less” than e-transfers. These findings indicate that fee structures may have limited use of mobile money accounts to store value, and may have limited use of additional fee-dependent services provided by EcoCash.

²⁴ The brand ambassador in Binga estimated 60 new agents were recruited, while Save the Children estimated closer to 100 new agents. For a summary of the program and Econet collaboration, see http://solutionscenter.nethope.org/assets/collaterals/SC_Mobile_Money_Zimbabwe_Brief_2015.pdf

ENABLING FACTORS

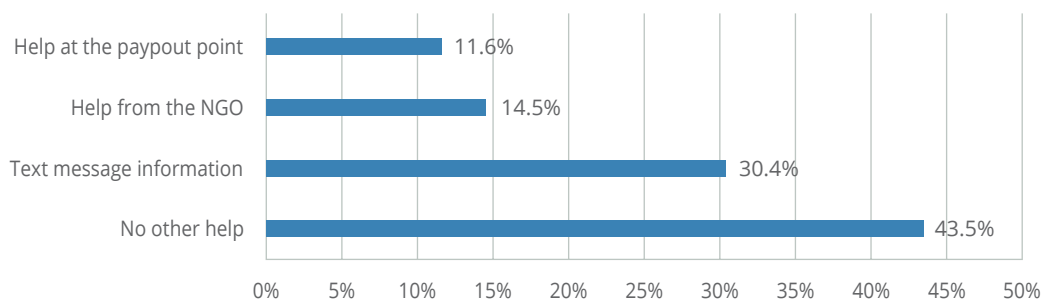
1. Access to identity documents

Almost all EFSP participants (99.8%) had access to national identity documents, (despite delays in accessing proof of residence letters mentioned above), which allowed them to open mobile money accounts. Account registration for the project's 6,750 participants was accomplished within one month. While this can be a barrier in other countries, EFSP participants were able to relatively easily open mobile money accounts.

2. Support from Save the Children & Econet

Project participants were less familiar with mobile money than the average Zimbabwean. Save the Children and Econet made a point to increase support to overcome this lack of familiarity. One particular challenge participants faced was an account requirement that new Econet clients reset their PIN after receiving an initial PIN to open their account (an action that needed to be completed within 24-hours of opening the account). Save the Children staff helped manage these types of problems, which were particularly challenging for those without prior mobile money experience. They also employed a range of tactics to reach project participants, including text message support and direct one-one-one coaching. These are captured in the graph below, which shows survey responses regarding the type of support participants received during the project:

Chart 13: Type of Support Provided during the Program



Econet also increased the number of brand ambassadors in the region for the EFSP. While they did not focus on marketing and promotion of other financial products, brand ambassadors provided critical one-on-one guidance for project recipients. With their presence “on the ground”, the brand ambassadors were important enablers, building the capacity of new mobile money users, particularly in the first few months.

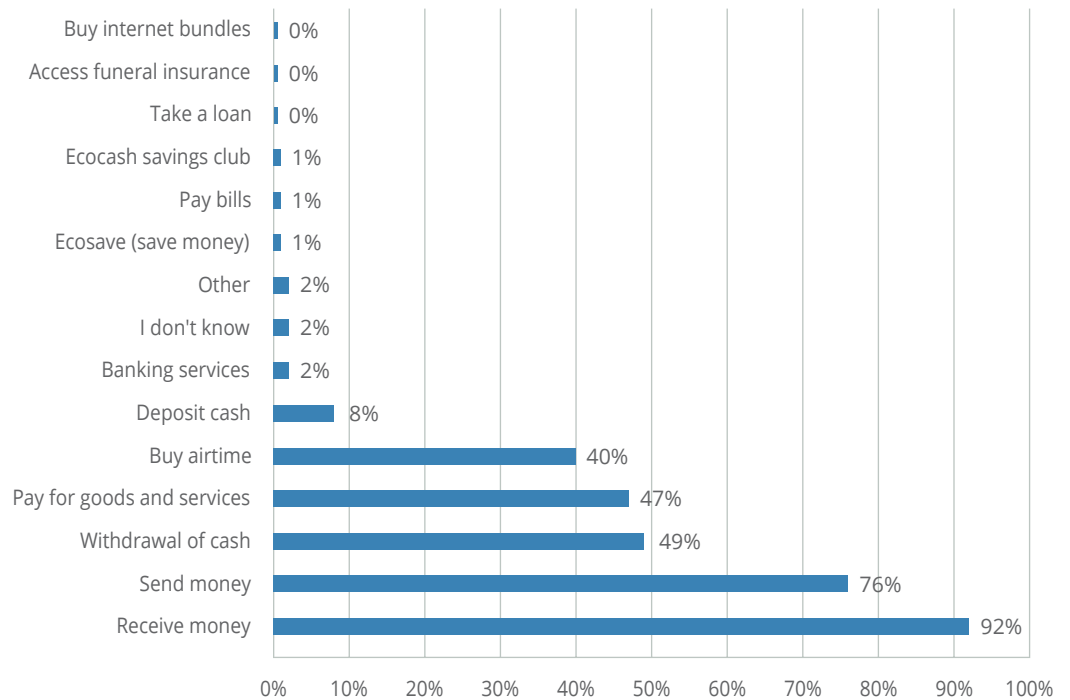
3. Knowledge & awareness of EcoCash products

As noted earlier, awareness of mobile money throughout Zimbabwe is very high (91%).²⁵ While, at 25%, program participant's pre-program awareness of mobile money was much lower than the national average, knowledge increased to significantly greater familiarity with particular mobile money services during and after program implementation. After the program, almost all respondents could name at least one mobile money service available through their EcoCash account, with the average survey

²⁵ <http://www.finmark.org.za/finscope-zimbabwe-consumer-survey-2014/>

respondent capable of listing 3.2 available services. A detailed breakdown of participant awareness of services is captured in the graph below:

Chart 14: Survey Respondents' Awareness of Services Available with EcoCash Accounts



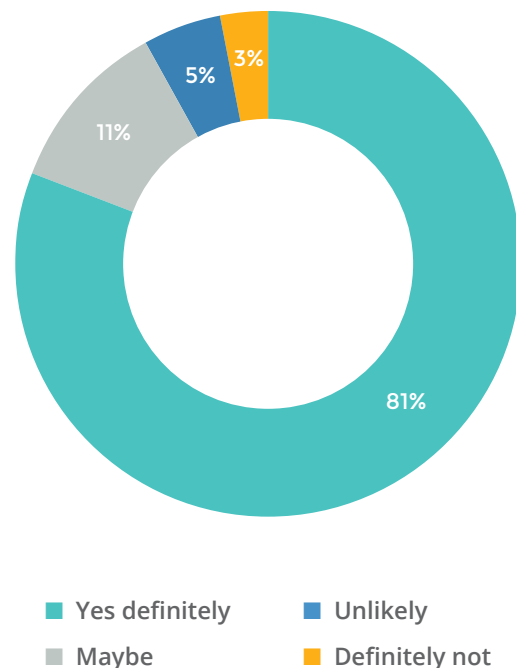
4. Trust and satisfaction with the service provider

Despite problems with cash-out listed in the “Barriers” section above, 92% of respondents are “willing” or “very willing” to use EcoCash in the future. This demonstrates tremendous trust in the service provider and an appreciation for its money transfer services.

FGD interviews also support this survey data, with most expressing an interest in learning more about the other services offered because – as one FGD participant put it – [Mobile money is] **“helpful because you can keep money in the wallet and it’s safe; you don’t lose it and when you travel ...and you only use it when want to use it.”**

Participants’ satisfaction with EcoCash is also suggested by their increased use of EcoCash services (see section 4.2).

Chart 15: Survey Respondents' Willingness to Use EcoCash to Send and Receive Money in the Future



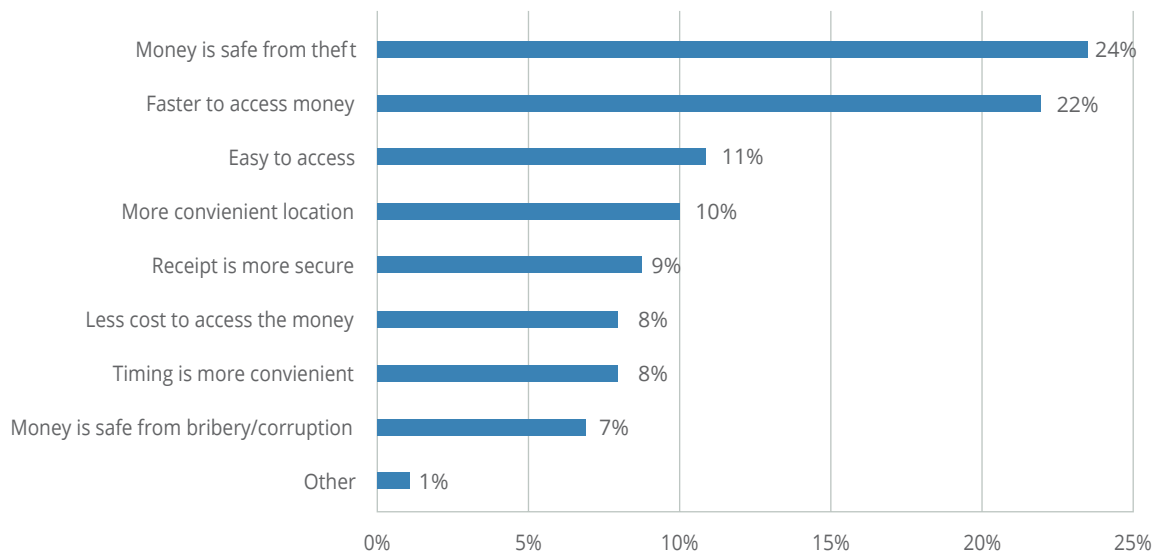
5. Frequency of e-transfers

The EFSP disbursed six e-transfers over the course of nine months. According to Save the Children and Econet, participants experienced problems during initial disbursements (e.g., mistakes in initial registration information or slow lines due to PIN reset). Subsequent disbursements went more smoothly. While most participants were unable to master mobile money transactions and perform them independently (only 22% could successfully explain a cash-out process), the series of six e-transfers seemed to offer recipients the opportunity to become familiar with the mobile money services and develop strategies to use the services (such as a reliance on agents, family and community members). While it is important to note that the relatively high number of transfers (compared to other humanitarian e-transfer programs) was not enough to surmount digital illiteracy, this did not seem to deter continued use of EcoCash services after the project's end.

6. Preference for mobile money

Sixty two percent of survey respondents would prefer to receive e-transfers versus cash in envelopes. FGD participants echoed this preference. Of those who preferred mobile money, safety was seen to be its primary benefit, followed closely by quicker access. All responses are captured below:

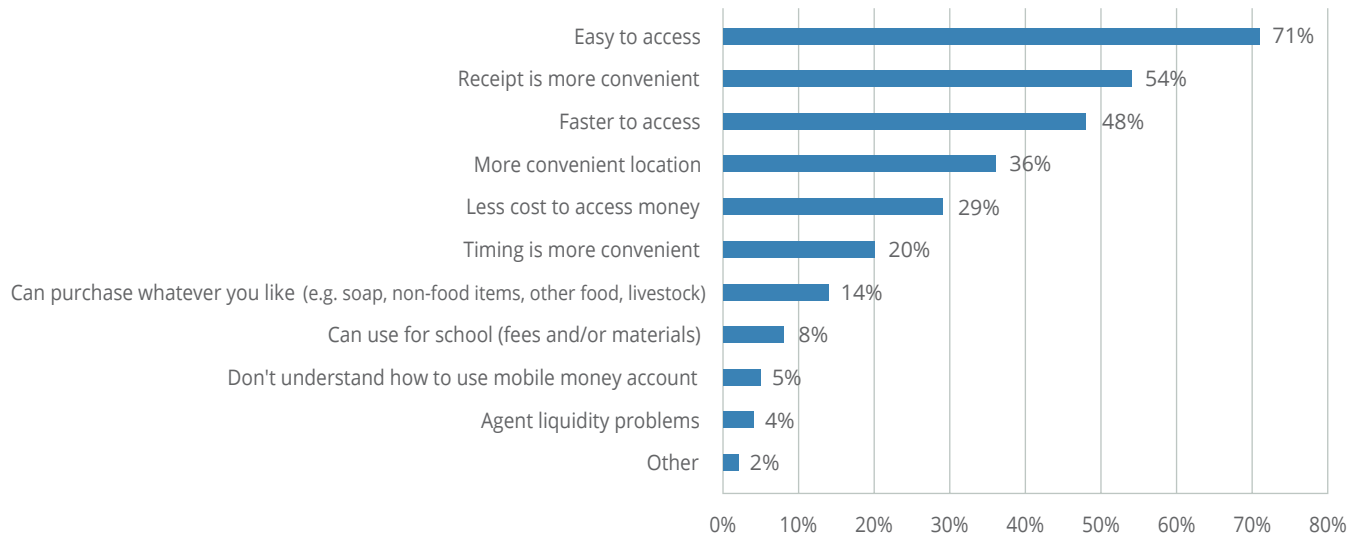
Chart 16: Survey Respondents' Reasons to Prefer Mobile Money for Future Cash Transfers



FGDs echoed these preferences. One participant articulated how mobile money offers new options for storing money: **"...technology is coming bit by bit, and now we have phones. We are used to keeping money in the bedroom, and now we can learn to save by mobile money."** Another participant noted improvements in the speed of cash delivery: **"I prefer [to receive money via] phone, because sometimes people may delay giving you money. We can stay four months without money. But with phone we get it at once."**

Of the 38% who preferred cash in envelopes, their reasons are captured in the graph below, with the primary reason being the ease of accessing cash in envelopes (71%) followed closely by convenience (54%):

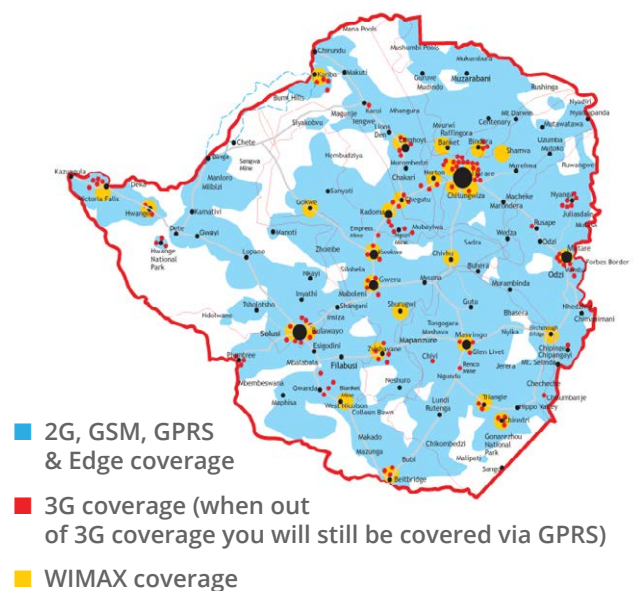
Chart 17: Survey Respondents' reasons to Prefer Cash in Envelopes for Future Transfers



Focus group participants who preferred cash in envelopes highlighted liquidity problems as a primary concern. One participant stated: **“With phones, you can receive transfers, but cashing out is problem because of liquidity problems. Mobile transfers are good but cashing out is problem.”**

Despite reservations related to liquidity, speed and travel time, a majority of participants preferred mobile cash transfers. There were very low levels of complaints or concerns about the service provider’s actual product or fees, and no concerns specifically about service provider trust and client satisfaction. Despite challenges, preferences for mobile money indicate a high degree of satisfaction and valuation of the service, and may contribute to continued use of the products after the program.

Figure 2: Map of Network Coverage



7. Network availability

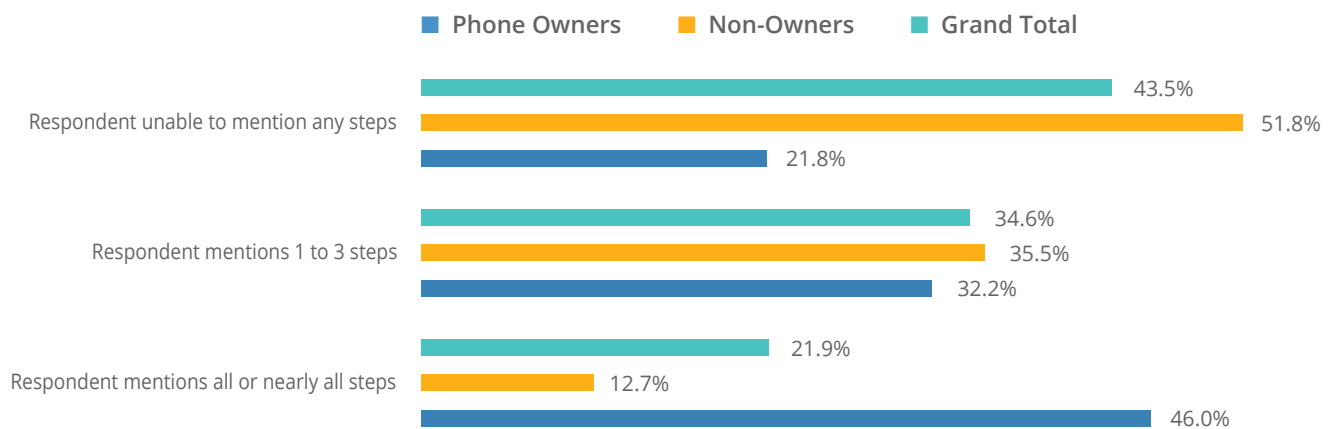
Network connection did not appear to be a major constraint (only 6% of survey respondents listed it as a challenge encountered in cashing out). An Econet coverage map (see figure 2) in Binga district was provided to Save the Children for their use in planning and organizing disbursement points. According to Save the Children, Econet **“ensured connectivity by expanding mobile coverage in the districts [of Binga and Kariba] through the optimization of the network signal.”** This allowed recipients to receive text message notifications when their monthly transfers had been sent; it also allowed EcoCash agents to conduct transactions locally, without forcing participants to travel to major urban areas to cash out or use their mobile money transfer.²⁶

²⁶ Save the Children “Mobile Money Empowered Me to Make My Own Decisions for My Family on My Time” http://solutionscenter.nethope.org/case_studies/view/mobile-money-empowered-me-to-make-my-own-decisions-for-my-family-on-my-time

8. Phone ownership

Individual phone ownership prior to the project was fairly low, at 28% for survey respondents, while 32% had access to a phone within the household prior to EFSP. Pre-program phone ownership did not correspond to increased use of, or preferences for, mobile money services at the end of the program, and is not a single driver for uptake or use of mobile money services. Phone ownership, did however, correspond with higher capacity to explain mobile money, as shown in the chart below:

Chart 18: Pre-Program Phone Ownership & Ability to Explain Cashout Process



For those who did not own a phone, many rented one from their friend or neighbor to access their transfers. As several FGDs noted, friends charged up to 1 USD for using their phones to check balances and conduct cash-out transactions. Therefore, it can be assumed that lack of phone ownership could be a barrier to regular usage of a participant's mobile money account, as it reduces the convenience, privacy, and control over one's account. As one EcoCash representative stated, owning a phone **"empowers the individual to transact as they wish."**

Table 5: Changes in Phone Ownership

	PRE-PROJECT	POST-PROJECT
Individual Phone Ownership	28% (87)	59% (186)

Whether related to a desire to use mobile money, or other priorities, phone ownership was a clear priority for many program participants. Rates of individual phone ownership doubled between the start of the project and the time research was conducted (see table 4).

9. Alignment of Econet business strategy and project objectives

The business case for Econet to partner with Save the Children on the EFSP aligns with their strategy to promote mobile money services nationwide and with their agenda to engage in rural communities. Though humanitarian cash transfer projects require intensive efforts and staffing – demonstrated by their additional outreach efforts described above – the project enabled Econet to expand their footprint into areas with low mobile money account registration and to expand access to financial services to



rural communities. As one brand ambassador described it, projects like EFSP, “[help] beneficiaries, and help us as a company sell and market our products.”

EFSP also offered an opportunity for the company to recruit new agents and brand ambassadors for the district. EcoCash representatives believe a project like the EFSP enables new customers to learn how to use mobile money services and it builds their confidence in the system. Though Econet had partnered with Save the Children previously, the EFSP required reinforcement of communications channels between the partners. For example, Econet changed their operating procedures, adding a specific NGO account manager and ensured that their regional sales representative in Binga was closely involved in the partnership. This alignment of objectives between EcoCash and Save the Children – i.e. providing services to the underserved in rural areas – enabled the smooth roll out of the e-transfers, building trust in mobile money services for recipients who are also new users.

5. CONCLUSIONS

This research aimed to answer three key questions in the context of Save the Children’s e-transfer programs:

- To what extent do e-transfer programs influence the use of mobile money among cash transfer recipients?
- What are the key barriers and enabling factors that influence recipients’ uptake and use of e-transfer services?
- What measures can and should be implemented in a humanitarian e-transfer program to overcome the barriers to uptake and use?

MOBILE MONEY USAGE AMONG E-TRANSFER RECIPIENTS

Project participants substantially increased their use of mobile money products and services between the start and conclusion of the EFSP project. Average rates of usage for several mobile money services increased from 6% (pre-project) to 26% (post project), with a total of 74% using at least one service. The biggest increases in usage were related to savings (which increased from 0% to 27%) and money transfers (which increased from 11% to 74%).

There was also a notable increase (from 8% to 26%) in the use of mobile money accounts for purchasing goods. However, agents’ liquidity constraints sometimes forced project participants to purchase goods instead of receiving cash. In these cases, participants faced limits on what they could purchase, potentially decreasing the utility of the transfer. In Zimbabwe and other liquidity constrained contexts, liquidity limitations and their effects should be carefully monitored.

Project participants also nearly doubled their ownership of mobile phones during the life of the project, signaling that phone ownership is a priority, even among populations with pressing food security and other consumption needs.

KEY BARRIERS AND ENABLING FACTORS TO UPTAKE AND USE OF MOBILE MONEY

The following key barriers and enabling factors influenced uptake and use of mobile money among EFSP participants:

BARRIERS	ENABLING FACTORS
<ul style="list-style-type: none">➤ Immediate consumption needs➤ Digital Illiteracy➤ National liquidity crisis➤ Agent proximity, wait and travel times➤ Fee structure	<ul style="list-style-type: none">➤ Access to Identity Documents➤ Support from Save the Children & Econet➤ Knowledge & awareness of EcoCash products➤ Trust in & satisfaction with service provider➤ Frequency of e-transfers➤ Participant preference for mobile money➤ Network availability➤ Phone ownership➤ Alignment of Econet business strategy & project objectives

Several barriers that often affect the uptake and use of additional financial services in the context of humanitarian projects did not appear to be relevant here, including limited or unreliable mobile network coverage, lack of national IDs (required for account registration), and/or social barriers, particularly for women recipients.

RECOMMENDATIONS FOR FUTURE E-TRANSFER PROGRAMS

In the context of the EFSP, almost a quarter of participants demonstrated an interest and ability to use a number of features available through their mobile money accounts. Given the participants' overall receptiveness to mobile money services, their trust in the service provider, and a lack of external constraints, in this and similar contexts, actions like the following could help MNO and NGO further increase program satisfaction and support future access to digital financial services.

1. Carefully Monitor Liquidity Constraints

The current liquidity crisis affects all of Zimbabwe, including Econet agents and EFSP participants. Project participants faced a lack of cash availability, which at times forced them to purchase goods with mobile money (rather than cash-out), and also meant that participants had to visit agents several times to cash-out their transfer. While the increase in mobile money usage can indicate expansion of access to needed financial services, longer term money storage in accounts or merchant payments resulting from lack of agent' liquidity could interfere with program objectives, and should be carefully monitored. Involuntary purchases of goods with mobile money may have limited the diversity, quality and/or price competitiveness of goods available, potentially working counter to the project's ultimate food security goals. Where liquidity issues are common or expected, humanitarian agencies can work closely with service providers to project and plan for required liquidity and increase monitoring to ensure that liquidity issues are not affecting participants' purchasing or decision-making around the use of their cash transfer.

2. Invest Wisely in Training

In the original project design, Save the Children considered incorporating more training sessions on financial education and mobile money operation, but funding limitations meant this would result in a reduction in the amount distributed to participants, so Save the Children reduced training plans.

Many EFSP participants demonstrated a lack of capacity to use their mobile money accounts independently, but also found creative ways of overcoming these limitations (relying on support from Save the Children, Econet staff and community members). The continued lack of capacity to operate mobile money is notable in comparison to other case studies in this series, since the EFSP program offered a comparatively longer timeline and highest number of transfers (six transfers in EFSP compared the three or fewer transfers provided in other studied programs). The higher number of transfers did not seem to be sufficient for participants to overcome digital illiteracy hurdles and master their mobile money accounts.

Ultimately, however, a lack of digital literacy and knowledge did not seem to have a strong negative impact on the average program participant's experience with the transfer mechanism or program. While practical hands-on education may have improved digital and financial literacy levels among participants and further increased their adoption and usage, delivering high quality trainings that actually improve capacity to use services is costly, and can come at the cost of other program investments and objectives (as Save the Children determined at the start of the EFSP).

In future programs, investments in training can be guided by the following questions:

- What are primary project objectives? Will an increase in use of digital financial services contribute to program objectives and the overall well-being of the target population?
- How big is the gap between current knowledge/capability and what type and quantity of training would be required to enable participants to operate mobile money independently?
- If participants are unable to conduct transactions independently, does this put them at risk for exploitation? What secondary mechanisms will they use to overcome digital illiteracy hurdles?
- Can training be conducted collaboratively between the humanitarian agency and the service provider? Humanitarian agencies may be more familiar with the community and their capabilities, and service providers are better positioned to describe its own products and services. Joint training can also reduce costs to programs.

While hands-on training can help participants overcome usage barriers, each program context will need to weigh program objectives, resources and priorities, to determine if investments in training are worthwhile, and actually capable of overcoming substantial barriers to digital literacy.

3. Facilitate Mobile Phone Access

This study indicated a relationship between previous phone ownership and capacity to use mobile money accounts (those with previous phone ownership were better able to explain the mobile money cash-out process). EcoCash representatives considered phones to be one of the enablers of uptake of mobile money services, as it “empowers individuals to transact as they wish and use the services more often.” Though phone ownership is not required for use of additional financial services, it may enable more regular use of mobile money accounts by increasing general levels of digital literacy and comfort with phones, and by offering more independent control over a mobile money account (reducing reliance on the phones from agents, friends or family).

In this case, even resource constrained EFSP participants prioritized purchasing mobile phone handsets, with ownership rates doubling during the implementation period. As mobile phone ownership can have other benefits, such as improving digital literacy and increasing the use of digital financial services, facilitating access to phones may be worth considering. While Save the Children considered purchasing phones for recipients, limited funding meant phone costs would reduce transfer values, and was deprioritized. As funding is a common constraint in most humanitarian programs, one way to support desires for phone ownership, while minimizing impact on program budgets, is to allow transfer recipients to reduce their transfer amount in each round to cover the handset cost.

APPENDICES

APPENDIX 1: KEY INFORMANT INTERVIEWS

ENTITY	TYPE	NUMBER OF PARTICIPANTS
Save the Children Zimbabwe	Emergency Project Manager	1
Save the Children Zimbabwe	Monitoring Evaluation Accountability Learning (MEAL)	2
Save the Children Zimbabwe	Finance	1
Save the Children Zimbabwe	Senior Management Team	5
Save the Children Zimbabwe	CT Projects District Field Coordinator	1
Econet EcoCash	Corporate Sales Manager	1
Econet EcoCash	NGO Customer Relations	1
Econet EcoCash	Mobile Money Agent, Binga	1
Econet EcoCash	Brand Ambassador, Binga	1
TOTAL		14